GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:150
ANSWERED ON:20.11.2000
POLICY FOR UTILISATION OF FUND BY SEBS
BHAWANA GAWALI (PATIL);HARIBHAU MAHALE

Will the Minister of POWER be pleased to state:

(a) whether the Government are aware that some State Electricity Boardsare compelling industrial consumers to purchase electricity from the said Boards for their own use inspite of having their own power in their industries;

(b) if so, the reasons therefor; and

(c) whether the Government propose to formulate any policy so as to avoid the unutilisation of crores of rupees invested for the generation of their own power due to short term policy of State Electricity Boards and power generating units of Public Sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : The Ministry of Power has received a complaint from the IndianChamber of Commerce, Calcutta complaining against the alleged insistence by some of the State Electricity Boards on mandatory purchase of power a certainpercentage of their requirement by industrial units having their own captive power. Under Section 44 of the Electricity (Supply) Act, 1948, the StateElectricity Boards (SEBs) are competent to give consent to setting up of captivepower plants by various industries. This has to be balanced against the need to maintain the viability of the tariff structure on account of the social commitment to subsidise supply of Electricity to certain sections of the society, rural areas and agricultural sector.

(c): The Government of India, through a circular letter datedOctober 9, 1995 has advised the State Governments/State Electricity Boards to encourage setting up of captive generation plants and to create an institutional mechanism which may allow captive power units an easy entry into the power sector by quickly clearing captive power applications, giving the developers a rational tariff for purchase of surplus power by the grid and third party access for direct sale of power to other industrial units.